RESOLUTION AND ORDER NO. 1981 95-81

RESOLUTION OF THE BOARD OF DIRECTORS OF THE NAVAJO COUNTY FLOOD CONTROL DISTRICT TO ENTER INTO A CONTRACT WITH THE ARIZONA DEPARTMENT OF WATER RESOURCES FOR A FLOOD CONTROL LOAN IN CONJUNCTION WITH THE INSTALLATION OF THE LITTLE COLORADO RIVER FLOOD CONTROL PROJECT

WHEREAS, the Board of Directors of the NAVAJO COUNTY FLOOD CONTROL DISTRICT, hereinafter called "DISTRICT", has resolved to enter into an Agreement with the ARIZONA DEPARTMENT OF WATER RESOURCES, hereinafter called "DEPARTMENT", to sponsor the construction of the LITTLE COLORADO RIVER FLOOD CONTROL PROJECT at Winslow, Arizona, hereinafter referred to as "PROJECT"; and

WHEREAS, the DISTRICT is eligible to request and receive, subject to available state funds, a flood control loan for the proposed PROJECT in accordance with the provisions of Arizona Revised Statutes, Sections 45-2731 through 45-2732; and

WHEREAS, the DISTRICT desires to receive a loan to defray twenty-five percent (25%) of the PROJECT costs estimated to be $4,138,000.00;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors to enter into contracts with the DEPARTMENT for flood control loans not to exceed an aggregate amount of $1,034,500.00, and to authorize the Chairman of the Board of Directors to enter into such contracts. Each loan contract so executed will stipulate an interest rate of three percent (3%) per annum and a repayment schedule of five consecutive annual installments.

PASSED and ADOPTED this 28th day of July, 1981.

Chairman, Board of Directors
Navajo County Flood Control District

ATTEST:

Clerk, Board of Directors
Navajo County Flood Control District

INTERGOVERNMENTAL AGREEMENT

BETWEEN

THE ARIZONA DEPARTMENT OF WATER RESOURCES

AND

NAVAJO COUNTY FLOOD CONTROL DISTRICT

FOR A

FLOOD CONTROL LOAN CONTRACT

This CONTRACT made as of the _____ day of _____, 1981, between the ARIZONA DEPARTMENT OF WATER RESOURCES, an agency of the State of Arizona, hereinafter called "DEPARTMENT," with its principal offices located at 99 East Virginia Avenue, Phoenix, Arizona 85004, and the NAVAJO COUNTY FLOOD CONTROL DISTRICT, hereinafter called "DISTRICT," a Flood Control District authorized under Arizona Revised Statutes, Sections 45-2301 et seq., with its principal offices located at the Navajo County Governmental Center, Holbrook, Arizona 86025.

WHEREAS, the DEPARTMENT acting on behalf of the State of Arizona is authorized to provide loans to assist flood control districts in the construction of flood control projects that would benefit the citizens of the State of Arizona; and

WHEREAS, the DEPARTMENT has made a thorough and careful evaluation of the qualifications of the DISTRICT and the proposed project, and has determined that the project will provide meaningful flood control and it is in the best interest of the State of Arizona; and

WHEREAS, the DEPARTMENT hereby certifies that the proposed project of the DISTRICT is eligible for funding under the provisions of the Alternative Assistance Program as authorized by Arizona Revised Statutes, Sections 45-2721 through 45-2723; and,

WHEREAS, the DISTRICT is qualified to request and receive a flood control loan, subject to available state funds, in accordance with the provisions of Arizona Revised Statutes, Sections 45-2731 through 45-2732.

NOW, THEREFORE, in consideration of the mutual agreements and

covenants contained herein, the parties hereby agree as follows:

1. Loan Amount and Interest Rate

A. Pursuant to Arizona Revised Statutes, Sections 45-2731 through 45-2732, the DEPARTMENT hereby grants the DISTRICT a loan in the amount of $ 484,177.00 to be used for the implementation of the Little Colorado River Flood Control Project at Winslow, Arizona, hereinafter referred to as "PROJECT." Granting of this loan does not cause the total amount of loans received by the DISTRICT for the PROJECT to exceed twenty-five per cent (25%) or $1,034,500 of total estimated installation of the PROJECT.

B. This loan shall bear interest at the rate of three per cent (3%) per annum.

C. Upon completion of PROJECT construction, the final amount of this loan may be adjusted so that the total amount of all loans granted to the DISTRICT for PROJECT implementation does not exceed twenty-five per cent (25%) of the actual PROJECT installation cost.

2. Terms of the Loan

A. The loan shall be repaid to the DEPARTMENT in five consecutive annual installments of $105,722.00, payments to include principal and interest which shall be due on or before 1 September of each year beginning 1 September, 1982.

B. After the final audit of the PROJECT, the annual installment payment will be adjusted to reflect final amount of the loan as calculated in Paragraph 1.C. above. If the adjusted annual installment payments are less than the annual payments listed in Paragraph 2.A. above, any overpayment by the DISTRICT will be used to offset funds advanced to the DISTRICT in excess of the twenty-five per cent (25%) Limitations on Amount of Loan. If the adjusted annual installment payments are greater than the payments listed in Paragraph 2.A. above, any underpayment will be immediately due the DEPARTMENT.

3. Repayment by the District

The DISTRICT promises to pay the annual amount of principal and interest due under the terms and conditions stated herein.

4. No Prepayment Penalty

The DISTRICT shall have the right to prepay the principal amount outstanding in whole by payment of an amount equal to the principal amount outstanding plus accrued interests to the date of prepayment.

5. Limitations on Amount of Loan

A. Upon completion of the final audit of the PROJECT, any funds advanced to the DISTRICT by this loan that are in excess of twenty-five per cent (25%) of the actual eligible PROJECT cost will be immediately due the DEPARTMENT. The DEPARTMENT may recover those funds in excess of twenty-five per cent (25%) of the actual eligible project cost by withholding an amount equal to the excess from loan funds otherwise due the DISTRICT. If the funds withheld are not sufficient to reduce the loan to the authorized level pursuant to Arizona Revised Statutes, Section 45-2731(c), an additional payment will be payable within thirty (30) days after the DEPARTMENT has provided the DISTRICT with written notice of the amount due.

B. Upon notice by the DEPARTMENT pursuant to Paragraph 5.A. above, any balance remaining on the installment loan will be offset by the funds paid by the DISTRICT that are in excess of the twenty-five per cent (25%) limitation.

6. Default

If at any time during the term of this loan, the DISTRICT defaults in any payment of principal and interest or fails to adhere to any of the terms and conditions of this Contract herein stated, the DEPARTMENT may commence whatever actions are necessary to enforce the Contract and achieve repayment of the loan.

7. Successors and Assigns

The Loan Contract and all of the covenants and conditions herein contained shall be for the benefit of and shall apply to and bind the parties hereto and their respective successors on the Board of Directors

of the Navajo County Flood Control District.

8. Notice of Cancellation

All parties are put on notice that this Contract is subject to cancellation by the Governor pursuant to Arizona Revised Statutes, Section 38-511, according to the provisions of the statute which are hereby incorporated as a part of this agreement.

9. Acceptance

By accepting these funds, the DISTRICT agrees to the loan repayment schedule and conditions stipulated herein.

IN WITNESS WHEREOF, the parties have executed this Contract to become effective on _____, 1981.

NAVAJO COUNTY FLOOD CONTROL DISTRICT	ARIZONA DEPARTMENT OF WATER RESOURCES
By Johnny L. Butler	By _____
Date July 28, 1981	Date _____

APPROVED AS TO FORM
This 21st day of July, 1981
BOB CORBIN
Attorney General
By Kara L. Schroeder
Assistant Attorney General